

CHAPTER 6
SETTLEMENTS AND COMMUTATIONS

[Prior to 9/24/86 see Industrial Commissioner[500]]
[Prior to 1/29/97 see Industrial Services Division[343]]
[Prior to 7/29/98 see Industrial Services Division[873]Ch 6]

876—6.1(85,86) Compromise settlements. All agreements providing for the final compromise settlement of a case where liability under the Workers' Compensation Act is disputed shall be reduced to writing and submitted to the workers' compensation commissioner for approval, together with such testimony or other evidence as may be required to establish that a bona fide dispute exists under Iowa Code section 85.35. Unless otherwise ordered by the workers' compensation commissioner or deputy workers' compensation commissioner an application for approval of compromise settlement shall not be accepted for filing if accompanied by documentation in excess of 20 pages. An order approving an application accompanied by documentary evidence in excess of 20 pages is nevertheless valid, and is neither void nor voidable. Any such settlement, when approved by the workers' compensation commissioner, shall be binding upon the parties thereto and not subject to review under Iowa Code section 85.26(2).

6.1(1) When the claimant, in a matter over which the workers' compensation commissioner has jurisdiction, is represented by an attorney licensed to practice in this state, and the claimant and the claimant's attorney agree that evidence of a bona fide dispute exists as to the enumerated factors of Iowa Code section 85.35, and the parties set forth a specific statement of facts of the bona fide dispute and allege that such facts are true, the professional statement of counsel for the parties shall constitute prima facie evidence that a bona fide dispute exists as required by Iowa Code section 85.35.

6.1(2) Nothing in the preceding paragraph shall prohibit the approval of settlements or commutations in other appropriate cases.

This rule is intended to implement Iowa Code section 85.35.

876—6.2(85,86) Commutation. The following requirements must be met before an uncontested commutation will be considered or granted:

6.2(1) A first report of injury, an acknowledgment of compensability and an updated supplemental claim activity report must be filed.

6.2(2) The commutation forms provided for in 6.4(85,86) must be filed.

6.2(3) All doctors' and practitioners' reports relevant to the disability of the claimant involved in the commutation must be attached to the commutation forms.

6.2(4) Claimant's condition as a result of the injury as shown by the medical reports cannot be one which will be expected to deteriorate. When a partial commutation is sought, this paragraph shall diminish in importance.

6.2(5) Claimant's condition as a result of the injury shown by the doctors' and practitioners' reports cannot be one which will be expected to require future treatment unless the future treatment is adequately provided for. When a partial commutation is sought, this paragraph shall diminish in importance.

6.2(6) A detailed statement of claimant's need or other reason for a lump sum of money must be attached to the application. The analysis shall include disclosure of any attorney fee amount to be paid from the full commutation. A commutation of less than ten weeks' benefits is presumed to be not in the best interest of the claimant.

6.2(7) When multiple dependents are involved, a signed stipulation or order of apportionment identifying the proportion of benefits to be received by each dependent shall be attached to the commutation form.

6.2(8) A signed stipulation as to the degree of permanent disability shall be attached to the commutation form.

6.2(9) Unless otherwise ordered by the workers' compensation commissioner or deputy workers' compensation commissioner, an original notice and petition for approval of commutation or partial commutation shall not be accepted for filing if accompanied by documentation in excess of 20 pages. An order approving an original notice and petition accompanied by documentary evidence in excess of 20 pages is nevertheless valid, and is neither void nor voidable.

This rule is intended to implement Iowa Code sections 85.45 and 85.47.

876—6.3(85,86) Commutation tables. The following tables are to be used in determining the sum to be paid in appropriate commutation proceedings. Nothing in this rule is to prevent waiver of the discount in subrule 6.3(2) by the employer or insurance carrier.

6.3(1) Life expectancy table. The life expectancy is determined by taking the age of the person, set forth in the “age” column and comparing it to the “weeks” column, which indicates the weeks an individual at the age indicated will be expected to continue to live.

LIFE EXPECTANCY TABLE

AGE	WEEKS	AGE	WEEKS	AGE	WEEKS
0	3687	29	2330	58	1035
1	3708	30	2278	59	998
2	3661	31	2231	60	962
3	3614	32	2184	61	926
4	3562	33	2132	62	889
5	3510	34	2085	63	858
6	3463	35	2038	64	822
7	3411	36	1992	65	790
8	3359	37	1940	66	759
9	3312	38	1893	67	723
10	3260	39	1846	68	697
11	3208	40	1799	69	666
12	3156	41	1752	70	634
13	3104	42	1711	71	608
14	3058	43	1664	72	577
15	3006	44	1617	73	551
16	2959	45	1570	74	525
17	2907	46	1529	75	499
18	2860	47	1482	76	473
19	2808	48	1440	77	452
20	2761	49	1399	78	426
21	2714	50	1357	79	406
22	2668	51	1310	80	385
23	2616	52	1274	81	369
24	2569	53	1232	82	348
25	2522	54	1191	83	333
26	2475	55	1149	84	317
27	2423	56	1113	85	302
28	2376	57	1071		

6.3(2) Discount. When an original notice and petition for commutation of remaining future weekly benefits, either full or partial, is filed, the remaining future weekly benefits may be commuted to present dollar value. If the remaining future weekly benefits are converted to a present dollar value, the present dollar value shall be determined as provided in this subrule. A discount will be used to convert the value of remaining future weekly benefits to present dollar value. The discount will be based on a compound interest rate calculated pursuant to Iowa Code section 668.13(3) and in effect on the date informal agreement between the parties is reached for commutation and the number of weeks of remaining future benefits. The interest rate used to determine the discount shall be specified on the original notice and petition for commutation filed for approval by the commissioner.

6.3(3) *Life expectancy and remarriage probability table.* This table expresses the combined probability of life expectancy and remarriage in weeks. The column on the left indicates the age of the surviving spouse at the time of the work-related death. Columns A through E indicate, respectively, the first through fifth years following the date of death that the surviving spouse remains unmarried. For example, if the date of death was July 1, 1977, and the surviving spouse was age 20 at the time of death, a commutation sought on the second anniversary of the death, July 2, 1979, would result in an expected duration of 519.75 weeks, the amount found in Column B which indicates the second year of unmarried status following age 20. Following the second anniversary of the date of death and including the third anniversary, Table C would be applicable. Begin in the left-hand column in the line indicating the age at *date of death*—not the age at which a commutation is sought. One then moves to the column which is indicative of the number of years the surviving spouse has remained unmarried.

A surviving spouse, 20 years old on the date of death who seeks a commutation after the fifth anniversary of the date of death, would use Table F. The fact that the surviving spouse has remained unmarried for over five years negates use of Columns A through E. A commutation sought during the fifth year of remaining unmarried would result in an expected duration of 959.97 weeks. For example, if the surviving spouse, who was 20 years old on the date of death, is 30 years old at the time a commutation is sought and seeks a commutation *after* the tenth anniversary of the date of death, start in Column "F" in line "20" at the age column. For each year beyond the sixth anniversary of the death, move *down* Column F one line for each year. [Note the left-hand age column plays no part at this point.] In this example the 30-year-old surviving spouse who seeks a commutation after the tenth anniversary of the date of death would have an expected duration of 1140.61 weeks.

EXPECTED DURATION OF LIFE AND REMAINING IN YEARS

AGE	Through 1st anniversary A	Through 2nd anniversary B	Through 3rd anniversary C	Through 4th anniversary D	Through 5th anniversary E	Through 6th anniversary F
19	400.68	479.17	564.03	622.35	677.29	726.66
20	470.73	549.23	643.33	701.59	756.00	805.97
21	522.26	601.72	695.73	748.10	802.02	848.53
22	556.76	636.30	728.54	781.70	836.00	873.15
23	581.67	657.22	748.75	797.91	857.16	896.55
24	599.52	677.23	767.92	814.79	875.61	913.51
25	608.57	687.32	777.02	824.14	884.77	920.57
26	748.77	797.42	887.40	934.14	994.96	1051.11
27	789.21	846.75	931.44	1035.23	1102.49	1212.68
28	849.19	895.40	979.57	1096.24	1179.59	1246.17
29	880.60	945.97	1046.55	1135.57	1214.95	1277.57
30	947.48	989.75	1083.21	1173.59	1247.65	1308.03
31	953.55	1053.74	1142.35	1237.73	1277.59	1331.56
32	1024.38	1076.11	1155.46	1239.33	1294.21	1352.77
33	1081.22	1116.39	1193.59	1267.61	1327.29	1370.83
34	1124.52	1154.05	1224.60	1292.65	1348.85	1384.77
35	1163.06	1196.46	1257.55	1316.13	1362.75	1395.10
36	1198.70	1219.43	1277.06	1332.15	1374.83	1401.64
37	1221.78	1248.35	1294.42	1346.34	1382.86	1405.51
38	1260.40	1272.34	1312.33	1357.34	1388.57	1409.75
39	1285.50	1292.71	1328.95	1364.35	1393.35	1411.77
40	1306.58	1308.92	1336.64	1368.53	1396.73	1413.55
41	1323.72	1321.58	1344.53	1371.22	1397.62	1415.46
42	1327.24	1329.55	1347.76	1373.45	1397.09	1416.13
43	1346.57	1336.07	1346.30	1375.35	1395.26	1416.54
44	1352.30	1337.77	1347.17	1375.87	1393.23	1416.15
45	1356.50	1336.38	1344.98	1374.31	1391.24	1415.92
46	1352.17	1330.73	1342.58	1371.34	1388.21	1414.51
47	1346.25	1321.22	1336.96	1365.00	1384.36	1412.78
48	1337.52	1307.55	1329.49	1357.15	1378.41	1410.73
49	1321.09	1290.00	1316.61	1346.20	1369.91	1407.43
50	1302.16	1268.79	1295.55	1331.70	1358.45	1403.56
51	1279.01	1243.00	1272.44	1316.76	1343.17	1400.07
52	1252.53	1215.88	1252.84	1300.84	1330.58	1396.93
53	1223.12	1185.50	1225.03	1281.51	1314.38	1393.40
54	1191.68	1152.81	1202.85	1262.85	1297.99	1389.64
55	1157.70	1118.20	1182.45	1244.09	1282.34	1385.31
56	1122.24	1082.67	1155.71	1226.47	1267.10	1380.54
57	1085.00	1045.67	1123.97	1210.00	1252.08	1375.16

58	1568.91	1837.75	969.57	932.12	895.61	860.79
59	1310.33	948.86	920.96	496.44	859.52	824.60
60	971.73	951.23	892.75	450.34	823.71	784.22
61	932.86	894.06	858.08	822.36	784.15	754.70
62	880.00	846.50	814.79	787.52	751.79	719.64
63	826.89	811.50	781.81	750.66	719.16	687.40
64	813.97	780.45	749.03	718.00	686.93	655.68
65	781.18	747.95	716.79	686.10	655.31	624.33
66	748.74	715.91	684.99	654.60	624.23	594.06
67	716.57	684.23	653.64	623.60	593.79	564.23
68	684.79	652.92	622.72	594.10	563.53	535.15
69	653.43	622.13	592.46	563.47	534.84	506.83
70	622.52	592.02	562.89	534.46	506.56	479.36
71	592.37	562.44	533.93	506.14	479.04	452.72
72	562.71	533.24	505.73	478.71	452.42	427.02
73	533.82	505.48	478.06	452.19	426.32	402.01
74	505.59	478.01	451.82	426.56	402.14	378.64
75	478.26	451.61	426.23	401.90	378.50	356.02
76	451.75	426.09	401.71	378.34	355.37	334.47
77	426.30	401.54	378.15	355.80	334.40	313.98
78	401.63	377.57	355.60	334.26	313.33	294.55
79	378.07	355.47	334.12	313.84	294.57	276.17
80	355.38	334.06	313.72	294.47	276.15	258.79
81	334.10	313.65	294.57	276.12	258.79	242.40
82	313.71	294.31	276.05	258.97	242.40	226.95
83	294.57	276.02	258.75	242.40	226.93	212.33
84	276.04	258.72	242.60	226.93	212.33	198.55
85	258.79	242.40	226.95	212.33	198.33	185.47

This rule is intended to implement Iowa Code sections 85.45 and 85.47.

876—6.4(85,86) Forms for commutation. Form No. 9 (14-0013) shall be used for a full commutation. Form No. 9A (14-0017) shall be used for a partial commutation. See rule 876—3.1(17A) for description of these forms.

This rule is intended to implement Iowa Code sections 85.45 and 85.47.

876—6.5(85) Statement of awareness. Whenever a petition for settlement under Iowa Code section 85.35 or commutation shall be submitted, it shall contain or be accompanied by a verified statement from the injured employee indicating awareness that upon approval by the workers' compensation commissioner of the settlement or commutation a final bar to future claims or benefits under the Workers' Compensation Law for such injury shall exist except as specifically reserved in any agreement.

This rule is intended to implement Iowa Code sections 85.35, 85.45 and 85.47.

876—6.6(86) Agreement for settlement. Unless otherwise ordered by the workers' compensation commissioner or deputy workers' compensation commissioner, an application for approval of an agreement for settlement shall not be accepted for filing if accompanied by documentation in excess of 20 pages. An order approving an application accompanied by documentary evidence in excess of 20 pages is nevertheless valid, and is neither void nor voidable.

This rule is intended to implement Iowa Code sections 85.35, 85.47, 86.13 and 86.27.

[Emergency filed and effective 9/19/75—published 10/6/75]

[Filed 11/17/75, Notice 10/6/75—published 12/1/75, effective 1/5/76]

[Filed emergency 6/10/77—published 6/29/77, effective 7/1/77]

[Filed 8/3/77, Notice 6/29/77—published 8/24/77, effective 9/28/77]

[Filed emergency 6/18/82—published 7/7/82, effective 7/1/82]

[Filed 6/13/84, Notice 4/25/84—published 7/4/84, effective 8/8/84]

[Filed 3/21/85, Notice 1/2/85—published 4/10/85, effective 5/15/85]

[Filed emergency 3/28/85—published 4/24/85, effective 3/28/85]

[Editorially transferred from [500] to [343] IAC Supp. 9/24/86]

[Filed 6/29/89, Notice 5/31/89—published 7/26/89, effective 8/30/89]

[Filed 11/9/89, Notice 9/20/89—published 11/29/89, effective 1/3/90]

[Filed 8/26/94, Notice 7/20/94—published 9/14/94, effective 10/19/94]

[Filed 1/10/97, Notice 12/4/96—published 1/29/97, effective 3/5/97]

[Filed emergency 7/1/98—published 7/29/98, effective 7/1/98]

[Filed 9/4/98, Notice 7/29/98—published 9/23/98, effective 10/28/98]

[Filed 2/15/02, Notice 1/9/02—published 3/6/02, effective 4/10/02]